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## PAPERWORK REDUCTION ACT SUBMISSION

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USCG-2003-16327-5

1. Agency/Subagency originating request <u>Dept. of Homeland Security/US Coast Guard</u>		2. OMB control number a. <u>1 6 2 5 - 0 0 4 9</u> b. <input type="checkbox"/> None	
3. Type of information collection (check one) a. <input type="checkbox"/> New collection b. <input type="checkbox"/> Revision of a currently approved collection c. <input checked="" type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, without change, of a previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, with change, of a previously approved collection for which approval has expired f. <input type="checkbox"/> Existing collection in use without an OMB control number <i>For b-f, note item A2 of Supporting Statement instructions</i>		4. Type of review requested (check one) a. <input checked="" type="checkbox"/> Regular submission b. <input type="checkbox"/> Emergency - Approval requested by: <u>   </u> / <u>   </u> / <u>   </u> c. <input type="checkbox"/> Delegated 5. Small entities. Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> Yes <input type="checkbox"/> No	
7. Title <u>Waterfront Facilities Handling Liquefied Natural Gas (LNG) and Liquefied Hazardous Gas (LHG)</u>		6. Requested expiration date a. <input checked="" type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other Specify: <u>   </u> / <u>   </u>	
8. Agency form number(s) (if applicable) <u>n/a</u>			
9. Keywords <u>Facility, Hazardous, Liquefied gas, Natural gas, Marine safety, Operations, Waterfront</u>			
10. Abstract  <u>Liquefied Natural Gas and other Liquefied Hazardous Gases present a risk to the public when handled at waterfront facilities. These regulations are intended to prevent or mitigate the result of accidental releases at waterfront facilities. The requirements are necessary to promote and verify compliance with safety standards.</u>			
11. Affected public (Mark primary with "P" and all others that apply with "X") a. <u>   </u> Individuals or households d. <u>   </u> Farms b. <u>P</u> Business or other for-profit e. <u>   </u> Federal Government c. <u>   </u> Not-for-profit institutions f. <u>   </u> State, Local or Tribal Gov't		12. Obligation to respond (Mark primary with "P" and all others that apply with "X") a. <input type="checkbox"/> Voluntary b. <input checked="" type="checkbox"/> Required to obtain or retain benefits c. <input type="checkbox"/> Mandatory	
13. Annual reporting and recordkeeping hour burden a. Number of respondents <u>194</u> b. Total annual responses <u>524</u> 1. Percentage of these responses collected electronically <u>0</u> % c. Total annual hours requested <u>3,540</u> d. Current OMB inventory <u>3,272</u> e. Difference <u>+ 268</u> f. Explanation of difference 1. Program change <u>   </u> 2. Adjustment <u>+ 268</u>		14. Annual reporting and recordkeeping cost burden (in thousands of dollars) a. Total annualized capital/startup costs <u>   </u> b. Total annual costs (O&M) <u>   </u> c. Total annualized cost requested <u>   </u> d. Current OMB inventory <u>   </u> e. Difference <u>   </u> f. Explanation of difference 1. Program change <u>   </u> 2. Adjustment <u>   </u>	
15. Purpose of information collection (Mark primary with "P" and all others that apply with "X") a. <u>   </u> Application for benefits e. <u>   </u> Program planning or management b. <u>   </u> Program evaluation f. <u>   </u> Research c. <u>   </u> General purpose statistics d. <u>   </u> Audit g. <u>P</u> Regulatory or compliance		16. Frequency of recordkeeping or reporting (check all that apply) a. <input type="checkbox"/> Recordkeeping b. <input type="checkbox"/> Third party disclosure c. <input checked="" type="checkbox"/> Reporting 1. <input checked="" type="checkbox"/> On occasion 2. <input type="checkbox"/> Weekly 3. <input type="checkbox"/> Monthly 4. <input type="checkbox"/> Quarterly 5. <input type="checkbox"/> Semi-annually 6. <input type="checkbox"/> Annually 7. <input type="checkbox"/> Biennially 8. <input type="checkbox"/> Other (describe) <u>   </u>	
17. Statistical methods Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		18. Agency contact (person who can best answer questions regarding the content of this submission) Name: <u>Mr. David Du Pont</u> Phone: <u>(202) 267-0971</u>	

**Supporting Statement  
for  
Waterfront Facilities Handling Liquefied Natural Gas (LNG)  
and Liquefied Hazardous Gas (LHG)**

**A. Justification.**

1. Circumstances which make the collection of information necessary.

The Coast Guard has published regulations that provides safety standards for the design and construction, equipment, operations, maintenance, personnel training, and fire protection at waterfront facilities handling liquefied natural gas (LNG) and liquefied hazardous gases (LHG) (33 CFR, Part 127, Subparts A and C). These regulations implement the Ports and Waterways Safety Act of 1972 (PWSA), as amended by the Port and Tanker Safety Act of 1978 (33 U.S.C. 1225), and are necessary to prevent or mitigate the results of an accidental release of LNG or LHG at a waterfront facility. They would reduce the probability that an accident could occur, and would reduce the damage and injury to persons and property should an accident occur.

The regulations contain information collection requirements in the following sections:

A.	127.007			Letter of Intent.
B.	127.015			Appeals.
C.	127.017			Alternatives.
D.	127.019,	127.305,	127.1305	<u>Operations Manual.</u>
E.	127.019,	127.307,	127.1307	<u>Emergency Manual.</u>
F.	127.301,	127.1301		Certification of person in charge.
G.	127.317,	127.1317		Declaration of inspection.
H.	127.409,	127.1409		Records of maintenance.

This information collection supports the following strategic goals:

Coast Guard

- Safety
- Protection of the Natural Resources

Marine Safety, Security and Environmental Protection Directorate (G-M)

- Reduce crewmember deaths and injuries on U.S. commercial vessels
- Reduce the amount of chemicals entering the environment
- Reduce the consequences of pollution incidents

2. Purpose for the information collection and consequences to the Federal program if the information is not collected.

A. The Letter of Intent is needed to alert the Coast Guard Captain of the Port (COTP) that a waterfront facility plans to conduct transfers of LNG or LHG, in bulk. It also provides a point of

contact at the facility. Once a letter has been received, the COTP can direct the necessary enforcement activity to ensure that the operator complies with the other requirements in 33 CFR 127. The Letter of Intent also provides the information used by the COTP to determine the suitability of the waterway, on which the waterfront facility is located, for LNG or LHG vessel traffic. Changes to the information in the Letter of Intent are required to be submitted whenever they occur. Without the Letter of Intent, COTPs would not learn of the opening or reopening of a waterfront facility handling LNG or LHG far enough in advance to allocate resources, to enforce construction and design standards, and to plan enforcement strategy. Also, COTPs would not have the information necessary to properly evaluate the suitability of a waterway for vessels carrying LNG or LHG.

B. Any person directly affected by an action taken under these regulations may appeal that action to the District Commander. If still not satisfied with the Coast Guard's decision, that person may appeal the decision to the Assistant Commandant for Marine Safety, Security and Environmental Protection, in Washington, DC. If the appeal is not made in writing, the operator's request for an appeal cannot be properly evaluated.

C. If it is impractical for the operator of a waterfront facility handling LNG or LHG to comply with the requirements in these regulations, and an alternative is available that provides at least the same degree of safety as the regulations, the operator may request permission to use an alternative procedure, method, or equipment standard. The operator must submit the request for an alternative in writing to the COTP. Without a written request the COTP cannot properly evaluate the proposed alternative.

D. The owner or operator of a waterfront facility handling LNG or LHG must develop and submit to the COTP two copies of the facility's Operations Manual. If the manual is found not to be in compliance with section 127.305 or 127.1305 of the regulations, transfer operations cannot be conducted at the facility. The Operations Manual is a critical part of the enforcement strategy. Without it, the COTP cannot determine if safe operating procedures and an effective training program are set up by the waterfront facility operator.

E. The owner or operator of a waterfront facility handling LNG or LHG must develop and submit to the COTP two copies of the facility's Emergency Manual. If the manual is found not to be in compliance with section 127.307 or 127.1307 of the regulations, transfer operations cannot be conducted at the facility. The Emergency Manual is a critical part of the enforcement strategy. Without it, the COTP cannot determine if effective procedures have been set up by the waterfront facility operator to respond to emergencies (such as fires and releases of LNG or LHG) on the facility.

F. The operator of an LNG or LHG waterfront facility must certify in writing that each person in charge of shoreside transfer operations meets the qualifications set forth in the regulations. A copy of each certification must be made available for inspection at the facility. During routine inspections of the facility, the COTP examines these certifications to ensure that the persons in charge of shoreside transfer operations are qualified. Without these certifications, the COTP would have to develop and administer tests or would have to observe qualification

training in order to verify that the person in charge is properly qualified. Both of these means would create a greater burden than operator certification.

G. Before LNG or LHG transfer operations begin, the person in charge of shoreside transfer operations must complete, with the person in charge of vessel transfer operations, a Declaration of Inspection. The Declaration of Inspection is a check-off list of transfer requirements which helps to reduce human error and equipment failure, thereby preventing accidental releases of LNG and LHG. It identifies each person in charge, who must sign it, and places the responsibility for safely conducting the transfer on that person. The Declaration of Inspection must be retained for 30 days after completion of the transfer. During routine inspections of the facility, the COTP will examine these Declarations of Inspection to ensure that they have been completed properly before each transfer. The COTP also uses this information to identify the responsible person in charge when a violation of the requirements occurs. Without the Declaration of Inspection, the COTP could not verify that persons in charge are following proper transfer procedures and the probability of human errors or equipment failures resulting in LNG or LHG releases will increase.

H. Tests and inspections of the LNG and LHG transfer system must be conducted on a regular basis to ensure that these systems will not fail and release LNG or LHG. Records of these tests and inspections must be retained at the facility for 24 months. During routine inspections of the facility, the COTP examines these records to ensure that the required tests have been completed. Without these records the operator would have to wait for a Coast Guard inspector to witness the tests to verify that they were done, thereby increasing the burden on both the operator and the Coast Guard. If the tests and inspections are not conducted, the incidence of LNG and LHG releases due to equipment failures will increase.

3. Considerations of the use of improved information technology.

The information required is unique to each individual waterfront facility and may not be amenable to the use of improved information technology. We estimate that 60% of the reporting and recordkeeping requirements can be accomplished electronically. At this time, we estimate that 0% are done electronically.

4. Efforts to identify duplication.

The Coast Guard monitors State and local regulatory activity in this field. To date no equivalent state or local programs have been identified that require similar information, and no other Federal agencies have equivalent regulatory requirements.

5. Methods to minimize the burden to small businesses or small entities.

The Coast Guard believes that these requirements do not have a significant economic impact on small entities. Few, if any, small entities are involved in the costly and highly technical operations of LNG and LHG waterfront facilities. All the existing LNG waterfront facilities are owned and operated by multi-million dollar corporations. Most LHG waterfront facilities are

also operated by large entities. Those LHG facilities operated by small entities generally handle small quantities of LHG and can avoid the burdens of this regulation by receiving packaged shipments of LHG instead of bulk shipments.

The appeal and alternatives requirements are intended to reduce the burden on small entities by allowing them to request less burdensome procedures where justified by small scale or simplified operations at a small waterfront facility.

6. Consequences to the Federal program if collection were conducted less frequently.

A,D,E,F. The Letter of Intent, the Operations Manual, and the Emergency Manual are submitted only once, before the facility begins transferring LNG or LHG. The certification for persons in charge is completed each time a new individual is qualified as a person in charge. Less frequent collection of this information would have the same consequences as not collecting the information.

B,C. Appeals and alternatives are submitted whenever the operator makes a request. Less frequent collection would prevent the waterfront facility operator's requests from being considered.

G. Declarations of Inspection are collected for each transfer. Less frequent collection would prevent the COTP from verifying that persons in charge are following proper transfer procedures for each transfer. This would increase the probability of human errors or equipment failures resulting in LNG or LHG releases will increase. It would also make identification of the responsible person in charge more difficult when a discharge does occur.

H. The recordkeeping requirements are recorded whenever each event occurs. If they were reported and recorded less frequently, facility operations would be delayed until the COTP sent his representative to obtain the information needed to verify compliance, evaluate the request, or witness the procedure.

7. Special circumstances due to inconsistency.

Not applicable. No special circumstances due to inconsistency.

8. Efforts to consult with persons outside the agency.

This information collection requirements were presented for public comment in accordance with the Administrative Procedure Act of 1946.

9. Gifts.

Not applicable.

10. Assurances of confidentiality provided to respondents.

No particular assurance of confidentiality is provided to respondents.

11. Additional justification for any questions of a sensitive nature.

No information of a sensitive nature is required in this information collection.

12. Estimates of information collection burden.

A. Five waterfront facilities in the United States are capable of transferring LNG to or from vessels in bulk. Only two of these waterfront facilities are currently transferring LNG. Approximately 192 waterfront facilities in the United States are transferring LHG to or from vessels. Most of those facilities are currently regulated under 33 CFR part 126. Approximately 100 of those waterfront facilities also transfer hazardous liquids in bulk and therefore already comply with some of the additional requirements in 33 CFR 127. The annualized costs and burden to the respondents for the collection of information is based upon the following assumptions:

- a wage of \$66 per hour for management personnel (the equivalent of O-5 rate)
- a wage of \$50 per hour for technicians (the equivalent of O-3 rate)
- a wage of \$25 per hour for clerical personnel (the equivalent of E-4 rate).

Total annual responses provided are determined as following:

A. Letter of Intent.	12
B. Appeals.	1
C. Alternatives.	2
<b>D, E. <u>Operations Manual</u> and <u>Emergency Manual</u>:</b>	<b>24</b>
F. Persons in charge of shoreside transfer operations: Qualifications and certification.	97
G. Declaration of Inspection.	194
H. <u>Maintenance Records.</u>	<u>194</u>
<b>Total</b>	<b>524 responses</b>

Annualized Industry Burden Hours/Cost Summary:

A. Letter of Intent.	30 Hours/	\$1,734.00
B. Appeals.	10 Hours/	\$578.00
C. Alternatives.	20 Hours/	\$1,156.00
<b>D, E. <u>Operations Manual</u> and <u>Emergency Manual</u>:</b>	<b>288 Hours/</b>	<b>\$15,564.00</b>
F. Persons in charge of shoreside transfer operations: Qualifications and certification.	243 Hours/	\$14,017.00
G. Declaration of Inspection.	1,300 Hours/	\$65,000.00
H. <u>Maintenance Records.</u>	<u>1,649 Hours/</u>	<u>\$80,025.00</u>
<b>Total</b>	<b>3,540 Hours/</b>	<b>\$178,074.00</b>

Costs to Respondents: This estimate was derived by adding the following burden hours and cost factors:

A. Only one letter of intent is required during the lifetime of the facility unless the owner or operator plans new changes on an existing facility or the facility is deactivated or the owner /operator changes. It takes approximately **2 hours** of management time to write a Letter of Intent and **0.5 hours** to type it. Past experience with bulk liquid facilities indicates that approximately 6% (**12**) of the facilities will be required to submit a new or resubmit a Letter of Intent each year

management = 2 hours X \$66.00/hour =	\$132.00
clerical = 0.5 hour X \$25.00/hour =	+\$12.50
burden/cost per letter = <b>2.5 hours</b>	<b>\$144.50</b>

Cost per letter of intent	\$144.50
facilities =	x <b>12</b>
<b>total burden for letter of intent = 30 hours (12 x 2.5)</b>	<b>\$1,734.00</b>

B. To submit an appeal, approximately **8 hours** of management time and **2 hours** of clerical time are needed. Few if any appeals are expected to these regulations. To account for possible appeals, an average of **1 appeal per year** is assumed.

management 8 hours X \$66.00/hour =	\$528.00
clerical 2 hours X \$25.00/hour =	+ \$50.00
<b>total burden for appeal=10 hours (10 x 1)</b>	<b>\$578.00</b>

C. To request an alternative, approximately **8 hours** of management time and **2 hours** of clerical time are needed. Past experience with bulk liquid facilities indicates that approximately 10% of the facilities request an alternative during the lifetime of the facility. Approximately double that rate (20%) is expected for LNG and LHG facilities. With a total of 194 facilities, approximately **39** alternatives are expected over 25 years, averaging **1.6** alternatives each year. This number is rounded up to **2** request per year.

management 8 hours	X \$66.00/hour	=	\$528.00
clerical 2 hours	X \$25.00/hour	=	+ \$50.00
burden/cost manual	= 10 hours		<b>\$578.00</b>

Cost per alternative	\$578.00
facilities	x <b>2</b>
<b>total burden for alternatives = 20 hours (10 x 2)</b>	<b>\$1,156.00</b>

D, E. Manuals only need to be developed once during the lifetime of a facility, however they do need to be updated occasionally and new facilities will have to develop operations

manuals. Past experience with bulk liquid facilities indicates that approximately **6 (3%)** of the facilities will be replaced by new facilities and will be required to develop a new manual. Approximately **12 (6%)** of the existing facilities will amend their manuals annually. Similar results are expected for both Operations Manual and Emergency Manual amendments at LNG and LHG facilities. It takes approximately **15 hours** of management time and **5 hours** of clerical time to produce an Operations Manual and about the same amount of time to produce an Emergency Manual. Amendments require an average of 1.0 hour of management time and 1.0 hour of clerical time to complete.

Developing New Operations and Emergency Manuals:

management = 15 hours X \$66.00/hour =	\$990.00
clerical = 5 hours X \$25.00/hour =	+\$125.00
burden/cost per manual = <b>20 hours</b>	\$1,115.00
Cost per manual	\$1,115.00
# of new manuals (6 facilities x 2 manuals per facility)	<b>12</b>
<b>total burden for manuals = 240 hours (12 x 20)</b>	<b>\$13,380.00</b>

Amending Operations and Emergency Manuals:

Management = 1.0 hour X \$66.00/hour =	\$66.00
clerical 1.0 hour X \$25.00/hour =	+\$ 25.00
burden/cost per amendment = <b>2.0 hours</b>	\$91.00
cost per amendment	\$91.00
amendments/year = 12 x 2 manuals	x 24
<b>total burden for amendments = 48 hours (24manualsx2h)</b>	<b>\$2,184.00</b>
New Manual development total =	\$13,380.00
<u>Annual amendment total</u> =	+ \$2,184.00
<b>total burden for manuals and amendments 288 hours</b>	<b>\$15,564.00</b>

F. It takes **2 hours** of management time to review the qualifications of a person to serve as a person in charge of shoreside transfer operations and **0.5 hours** of clerical time to record and file the results. About 0.25 hour of that time is for recordkeeping. Large waterfront facilities usually have 3 shifts that work for 8 hours a day during transfer operations. 3 persons in charge and 1 alternate per waterfront facility with 1 replacement every 3 years, the average facility will perform 12.3 certifications over 25 years. The rate is approximately one certification every other year. At this rate, for 194 waterfront facilities, there will be 97 certifications per year.

management 2 hours X \$66.00/hour =	\$132.00
clerical 0.5 hours X \$25.00/hour =	+ \$12.50
burden/cost per certification = 2.5 hours	\$144.50



cost per certification	\$144.50
certifications/year =	X 97
<b>annual certification total = 243 hours</b>	<b>\$14,017.00</b>

G. It takes 0.5 hours to complete and file a Declaration of Inspection. At \$50.00 an hour for the person in charge of shoreside transfer operations, this results in \$25.00 per LNG or LHG transfer. According to the Coast Guard data there are approximately 2,600 LNG and LHG transfers per year at waterfront facilities.

personnel cost/transfer 0.5 hr X \$50.00/hr =	\$25.00
	x 2,600
<b>annual DOI burden/cost = 1,300 hours</b>	<b>\$65,000.00</b>

H. It takes 2 technicians 4 hours each to conduct the annual tests and inspections required in this part for a total of 8 hours. Another 0.5 clerical hours are required to record and file the results, split evenly between reporting and recordkeeping. At \$50.00 an hour for technical personnel and \$25.00 an hour for clerical personnel.

technical personnel cost = 8 hours X \$50.00/hour=	\$400.00
clerical personnel cost = 0.5 hour X \$25.00/hour=	+ \$12.50
testing & records burden/cost 8.5 hours	\$412.50
testing and records cost per facility	\$412.50
facilities	x 194
<b>annual testing and records cost = 1,649 hours</b>	<b>\$80,025.00</b>

13. Estimates of annualized capital and start-up costs.

Not applicable.

14. Estimates of Federal Government costs.

This estimate was derived by adding the following cost factors: Costs for Coast Guard personnel utilize standard Coast Guard personnel costs of \$39.00(average of LTJG/LT rate) per hour for officers and \$27.00(average of E-5/E-6 rate) per hour for enlisted personnel

Annual Federal Government Cost Summary:

A.	Letter of Intent.	\$468
B.	Appeals.	\$339
C.	Alternatives	\$678
D, E.	<u>Operations Manual and Emergency Manual:</u>	\$8,604
F.	Persons in charge of shoreside transfer operations: Qualifications and cert.	\$655

G.	Declaration of Inspection.	\$4,388
H.	Maintenance Records.	\$1,310
<b>Total:</b>		<b>\$16,442</b>

A. It takes an officer 1 hour to review a Letter of Intent.

*(1 hour X \$39.00) X 12 annual submissions = \$468.00*

B. It takes 8 hours of an officer's time to review and 1 hour a petty officer's time to answer a request for an appeal.

*(8 hours X \$39.00) X 1 appeal per year = \$312.00*

*(1 hour X \$27.00) X 1 appeal per year = \$27.00.*

C. It takes 8 hours of officer's time to review and develop a response to a request for an alternative, plus 1 hour of a petty officer's time prepare the response.

*(8 hours X \$39.00) X 2 alternatives per year = \$624.00*

*(1 hour X \$27.00) X 2 alternatives per year = \$54.00.*

D, E. It takes 15 hours of an officer's time and 1 hour of a petty officer's time to review an Operations Manual or an Emergency Manual.. Amendments to these manuals require only 1 hour of an officer's time and one half hour of a petty officer's time.

*(15 hours X \$39.00) X 12 manuals per year = \$7,020.00*

*(1 hour X \$27.00) X 12 manuals per year = \$324.00*

*(1 hour X \$39.00) X 24 amendments per year = \$936.00*

*(1/2 hour X \$27.00) X 24 amendments per year = \$324.00*

F. It takes 1 hour of a petty officer's time to review the certifications for 4 persons in charge of shoreside transfer operations.

*(1 hour X \$27.00) X (97 certifications per year/ 4 certification per hour) = \$655.00*

G. It takes a petty officer 0.25 hours to review a Declaration of Inspection. The Coast Guard does not and is not required to review every DOI, therefore 25 % of transfers will be assumed in this case.

*(.25 hour X \$27.00) X 2,600 transfers per year X .25 = \$4387.50*

H. It takes 0.25 hours to review the results of the required tests.

*(.25 hour X \$27.00) X 194 facilities = \$1,310.00*

#### 15. Reasons for the change in burden.

The change in burden is an ADJUSTMENT due to the increase in number of facilities (i.e., population).

#### 16. Plans for tabulation, statistical analysis, and publication.

There are no plans to use statistical analysis or to publish this information.

17. Approval for not explaining date for OMB approval.

Not applicable.

18. Exception to the certification statement.

Not applicable.

**B. Collection of Information Employing Statistical Methods.**

Not applicable.